

Investment proposal: Class A logistics park in Tyumen Region*

Market conditions

- **Higher rent rates than in other cities of the Ural Federal District;**
- **Lack of well-equipped storage facilities** (Mostly Class C and D storage facilities, a few Class B storage facilities, and no Class A storage facilities are found in Tyumen) a typical storage facility is less than 10,000 m²;
- Rent rates range widely. **The average rent rate** in 2013 was **195 RUB** per sq.m. per month; for **unheated storage facilities** – **80-180 RUB** per sq.m. per month, 5% of the rent rate exceeds **300 RUB** per sq.m. per month.
- Retail is developing rapidly. Efficient **retail area** rate in the early 2014 was **815 sq. m** per 1000 citizens. By the end of 2014 the **retail area** will have added **552,600 sq.m.**;
- **Retail turnover** in the Tyumen Region has been **286.5 bln RUB** (61% higher than in 2010)
- Major projects are under development now in the Tyumen Region. When they are launched, the cargo flow will rise. The **cargo turnover in Jan – May 2014** in the Tyumen Region (including Autonomous Districts) was **363 421.1 mln ton-km.**

Распределение складов по классам, %



класс В — 7,5%
класс С — 50%
класс D — 5%
прочие — 37,5%

Economic conditions

Initial data:

Location:

Tyumen City District, close to federal motorways, railroads, convenient transportation avenues.

Necessary conditions:

Site area 40-60 hectares

Storage area 80 000 m²

Rent 1 m² – 450 RUB/m²

Staff:

- 165 people

CAPEX: 1100 mln RUB

Inception date: January 2015

Estimated period: up to 2025

Performance indicators*:

Internal rate of return (**IRR**): **20 %**

Net present value (**NPV**): **1029 mln. RUB**

Pay-back period (**PP**): **5 years**

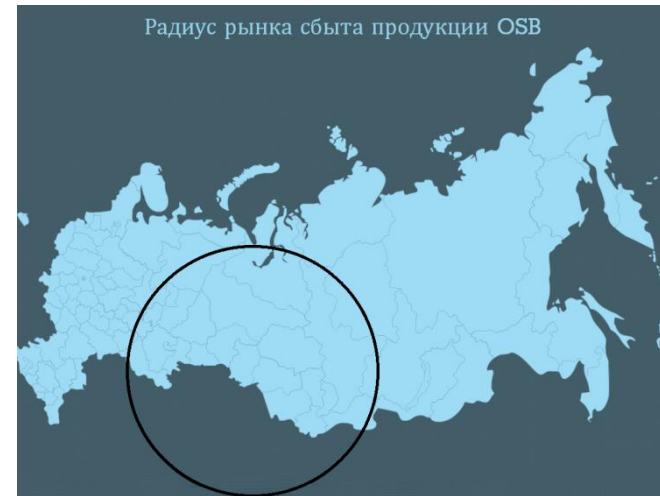
*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

OSB production investment in Tyumen Region with annual capacity of 350 000 m³ per year*

Market conditions

- OSB market share - 20% higher than in 2012. Market capacity in Russia in 2014 – 800 000 m³. Market capacity in the CIS – 300 000 m³.
- The present and starting manufacturers in Russia (Kalevala, NLK, Kronospan) are forecast to cover 25% (280 000 m³) of the Russian and CIS market in 2015 .
- The OSB plant in the Tyumen Region will let control the markets in self-supporting economies of some Russian regions and the CIS Asian countries (Kazakhstan, Tajikistan, Uzbekistan), with total population number of about 80 mln people (including 30 mln people in Russia)
- Major OSB production development trends: import substitution, export expansion to the CIS countries, low-rise housing construction, plywood substitution in construction.
- **Bulk yield – 994 mln m³, estimated periodic yield – 16.3 mln m³, including soft wood – 3.2 mln m³.**



Economic conditions

Initial data :

Wood processing capacity:

- Up to 540 000 m³ per year – round wood, chips, particles, other wood waste

Necessary conditions :

Site area 20-40 hectares

Power supply capacity 15 MW

Staff:

- 230 people (including maintenance and management personnel)
- salary including insurance - 40 000 RUB per person

CAPEX: 87.5 mln EUR

Inception date : January 2015

Estimated period : up to 2025

Performance indicators *:

Internal rate of return (**IRR**): **15 %**

Net present value (**NPV**): **112 mln EUR**

Pay-back period (**PP**): **7 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Chipboard production investment in Tyumen Region with annual capacity of 225 000 m³ per year *

Market conditions

- Now 6 plants supply the Ural and Siberian market with chipboards, only 1 of them, "Ugra-plit" is a modern plant equipped with the ContiRoll® press
- 50% of chipboard consumption is supplied by these plants, and 50% - by the plants from Central Russia.
- About 20% of the Russian furniture manufacturers are located in the Urals and Siberia.
- Major chipboard production development trends: import substitution, export expansion to the CIS countries, (mainly to Kazakhstan), potential rise of furniture manufacturing in the Urals and Siberia, shut down of outdated chipboard production (4 plants).



Bulk yield – 994 mln m³, estimated periodic yield 16.3 mln m³, including soft wood – 3.2 mln m³.

Initial data:

Wood processing capacity:

- Up to 350 000 m³ per year – round wood, chips, particles, other wood waste

Necessary conditions :

Site area 20-40 hectares

Power supply capacity 15 MW

Specific heat consumption 2.9 GJ/m³

Specific power consumption 140 kW×h/m³

Resin consumption 58 kg/m³

Staff:

- 230 people (mainly: engineers, operators, electricians, directors and managers)

CAPEX: 67 mln EUR

Inception date : January 2015

Estimated period : up to 2025

Performance indicators *:

Internal rate of return (IRR): **21 %**

Net present value (NPV): **119 mln EUR**

Pay-back period (PP): **5 years**

Economic conditions

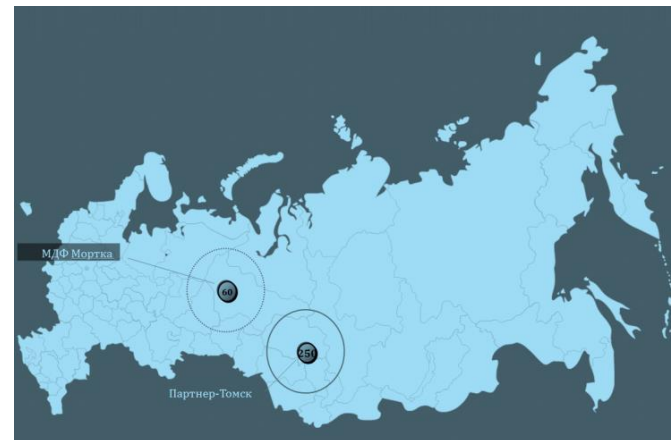
*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

MDF production investment in Tyumen Region with annual capacity of 220 000 m³ per year*

Market conditions

- Now 2 plants supply the Ural and Siberian market with MDF, only 1 of them, "Partner-Tomsk" is a modern plant equipped with the ContiRoll® press.
- 50% of MDF consumption is supplied by these plants, and 50% - by the plants from Central Russia.
- About 20% of the Russian furniture manufacturers are located in the Urals and Siberia.
- Major MDF production development trends: import substitution, export expansion to the CIS countries, (mainly to Kazakhstan), potential rise of furniture manufacturing in the Urals and Siberia, shut down of outdated MDF production (Mortka MDF), increase of MDF consumption in flooring (about 45% MDF is used for laminated flooring worldwide, in Russia - 10%).



Bulk yield – 994 mln m³, estimated periodic yield 16.3 mln m³, including soft wood – 3.2 mln m³.

Initial data:

Wood processing capacity:

- Up to 340 000 m³ per year – round wood, chips, particles, other wood waste

Necessary conditions :

Site area 20-40 hectares

Power supply capacity 15 MW

Specific heat consumption 4,3 GJ/m³

Specific power consumption 350 kW×h/m³

Resin consumption 90 kg/m³

Staff:

- 170 people (including maintenance and management personnel)

CAPEX: 77.5 mln EUR

Inception date : January 2015

Estimated period : up to 2025

Performance indicators *:

Internal rate of return **(IRR): 19 %**

Net present value **(NPV): 105 mln EUR**

Pay-back period **(PP): 6 years**

Economic conditions

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment project: Construction of a geriatric homes in Tyumen region.

Market conditions

STATISTICS:

- In 2000 there were 600 million people over 60's, in 2050 – 2 billion people
- Population of people 85+ will increase by 5 times. In 2012 – over 44 million people , in 2015 approximately 216 million people.
- By 2050 the number of senior citizens in the age over 60 will be higher than the number of the children younger than 15 years – first time in the history.
- In Russian Federation the number of senior citizens is approx. 33 million people, from which 18,5 are older than 65 years (13 % of the country population). By 2030 the percentage of senior citizens will increase up to 18%.



Economic conditions

First-order conditions:

The area of the land – more than 5 hectares .

Employees:

- 50 people
- Pay check for 1 employee – 30 000 rubles including insurance premium.

Investment volume: 300 million rubles

Measures of efficiency (discount rate 8%, for the period of 20 years):

Internal rate of return (IRR): 10 %

Net present value (NPV): 40,4 million rubles

Payback period (PP): 9 years

Investment project: construction of recreational sanatorium complex in the Tyumen region.

Market conditions

- 288 sunny days in the year
- Existence of unique thermal springs and sapropelic clays.
- Stable and solvent demand from the Tyumen region residents, Khanti-Mansiisk autonomous area, Sverdlovsk, Chelyabinsk, Kurgan region and etc.
- Deficit of the high quality supply of the sanatorium service, lack of hotels with SPA-services and aqua parks
- Increase in tourist traffic by 35 % over the last 3 years.



Economic conditions

First-order conditions:

The area of the land – more than 5 hectares .

Employees:

- 70 people
- Pay check for 1 employee – 30 000 rubles including insurance premium.

Investment volume: 350 million rubles

Measures of efficiency (discount rate 10%, for the period of 10 years):

Internal rate of return: (IRR): 11 %

Net present value (NPV): 16,98 million rubles

Payback period (PP): 6 years

Investment project : construction of theme park in the Tyumen region region

Market conditions

- Lack of theme parks for children. Really high demand.
- High paying capacity of the Tyumen and other regions residents.
- Increase in tourist traffic by 35 % over the last 3 years.
- Existence of municipal platforms for the implementation of the project.



Economic conditions

First-order conditions:

The area of the land – more than 30 hectares .

Employees:

- 20 people
- Pay check for 1 employee – 20 000 / 30 000 rubles including insurance premium.

Investment volume: 800 million rubles

Measures of efficiency (discount rate 10%, for the period of 10 years):

Internal rate of return: (IRR): 15 %

Net present value (NPV): 166 million rubles

Payback period (PP): 5 years

Investment project: construction of a hotel in Yalutorovsk, Tobolsk.

Market conditions:

- Yalutorovsk and Tobolsk are touristic cities.
- Increase in tourist traffic by 35 % over the last 3 years
- Deficit of qualitative hotel complexes
- Existence of municipal platforms for the implementation of the project.



Economic conditions:

First-order conditions:

The area of the land – more than 0,2 hectares .

Employees:

- 20 people
- Pay check for 1 employee – 15 000 / 20 000 rubles including insurance premium.

Investment volume: 250 million rubles

Measures of efficiency (discount rate 10%, for the period of 8 years):

Internal rate of return: (IRR): 27 %

Net present value (NPV): 160 million rubles

Payback period (PP): 4 years

Investment in the construction of a medical equipment production factory*

Market conditions

- Development of import substitution in Russia (an import share in consumption more than 70-80%)
- The main buyer of the medical equipment production is the government (more than 85% of medical products);
- High growth rates of consumption;
- The domestic medical equipment is cheaper import by 1.5 – 2 times



Economic conditions

Initial data:

Necessary conditions:

The area of the land plot is 1-3 hectares.

Personnel:

200 people (taking into account the technical repair personnel and AUP)

- Pay check for 1 employee - 40 000 rub including insurance premium.

Investment volume: 700 million rubles

Inception date : January 2015

Estimated period: until 2021

Measures of efficiency :

Internal rate of return: (IRR): 15 %

Net present value (NPV): 90 million rubles

Payback period (PP): 5 years

* For implementation of the project various options of municipal and private platforms are offered;

* Since 2015 projects with the volume of investment more than 300 million rubles are exempted from payment of the property tax, and also will be able to receive a privilege on income tax.

Investment in the construction of solar batteries production factory*

Market conditions

- The resolution of the Government of the Russian Federation from 28.05.2013 No. 449 "About the mechanism of stimulation of using renewables in the wholesale market of electric energy and power"
- Regulation of the Government of the Russian Federation of 28.05.2013 No. 861-r
- In Russia by 2020 an input of about 1,5-2 GW of capacities is planned.

Целевой объем вводов мощностей ВИЭ в РФ в 2014-2020 гг.



Initial data:

Volume of production:

- 85 megawatt per year

Necessary conditions:

- The area of the land plot is 3-5 hectares.

Personnel:

- 250 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee - 40 000 rub including insurance premium.

Investment volume: 200 million rubles

Inception date : January 2015

Estimated period: until 2025

Measures of efficiency :

Internal rate of return: (IRR): 17 %

Net present value (NPV): 35 million rubles

Payback period (PP): 6 years

Economic conditions

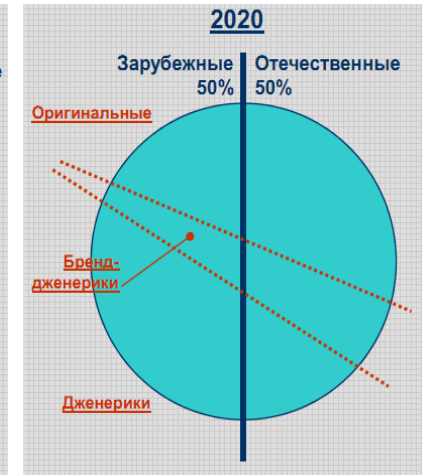
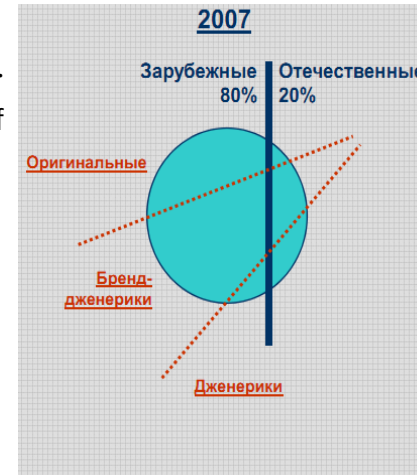
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*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of pharmaceutical factory*

Market conditions

- Mandate of the Government of the Russian Federation No. VZ-P12-1366 from March 6th, 2008 about the elaboration of the strategy of development of the domestic pharmaceutical industry until 2020.
- The main buyer of the medical equipment production is the government (about 40% of medicines);
- High growth rates of consumption;
- Improvement of the national legislation.



Economic conditions

Initial data:

Necessary conditions:

- The area of the land plot is 1-3 hectares.

Personnel:

- 170 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee - 40 000 rub including insurance premium.

Investment volume: 1 milliard rubles

Inception date : January 2015

Estimated period: until 2021

Measures of efficiency :

Internal rate of return: (IRR): 33 %

Net present value (NPV): 3,8 milliard rubles

Payback period (PP): 7 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the creation of garment, shoe, textile or leather production in Tyumen region *

Market conditions

- Tyumen region one of the most dynamically developing regions of Russian Federation.
- Economical base of the region - fuel industry.
- In the region (including autonomous areas) the main part of the Russian reserves of natural gas (91%) and oil (67%) is concentrated.
- The average size of the "expenses per capita" Tyumen region has the leading position among all other regions.
- Large network enterprises of retail trade are situated in Tyumen. (Metro Cash & Carry, Megamart, the Coin, Mosmart, the Tape, the Intersection, Auchan).



Initial data:

Necessary conditions:

- The area of the land plot is 1-2 hectares.
- Tyumen region has suitable infrastructure platforms for production creation: the former garment factory which is in Ishim, garment factory in Yalutorovsk, and also some other platforms of brownfield and greenfield

Personnel:

- 50-200 people (main categories : seamstresses, mechanics, administrative personnel of platforms)

CAPEX: 200 million rubles

OPEX: 24 million rubles

Inception date : January 2015

Estimated period: until 2025

Measures of efficiency :

Internal rate of return: (IRR): 25 %

Net present value (NPV): 214 million euro

Payback period (PP): 5 years

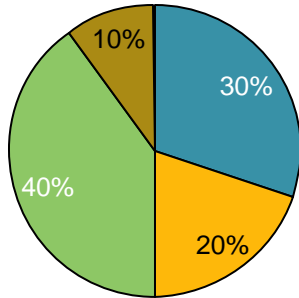
Economic conditions

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Polymers processing investment Bags production*

Consumption structure



■ food (sugar, flour)
■ grains

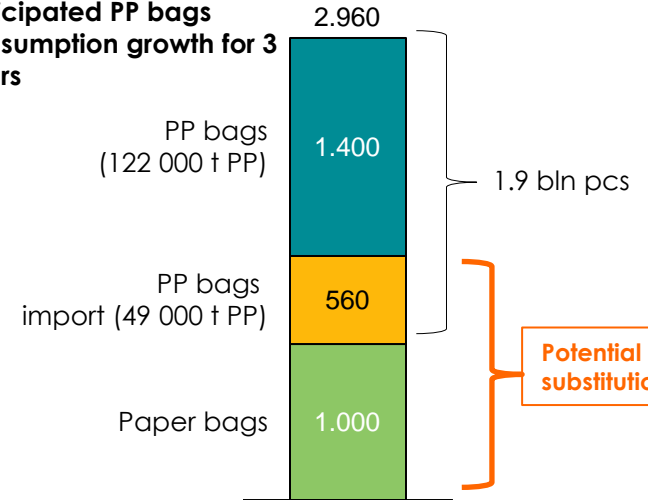
■ chemicals, fertilizers
■ building and technologic mixes

+10%

- Standard bags 25-50 kg
- High level of bags imported assumes potential substitution
- **Good prospects for substitution in the construction bags sector**

Consumption [mln pcs]

Anticipated PP bags consumption growth for 3 years



Return on investment*

Initial data:

Processing capacity:

- 5000 ton per year
- 62.5 mln bags

Equipment required:

- 2 extrusion lines
- 4 textile machines

Staff:

- 42 people (4 shifts)
- salary including insurance - 60 000 RUB

CAPEX: 112 mln RUB

OPEX: 10 164 RUB per ton produced

Inception date: July 2014

Estimated period: up to 2021

Performance indicators:

Internal rate of return (**IRR**): **36.2%**

Net present value (**NPV**): **500 mln RUB**

Profitability index (**PI**): **5.9**

Economic conditions

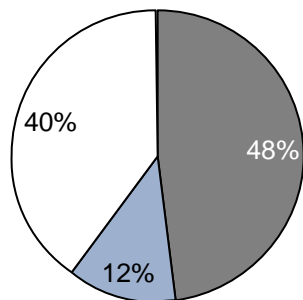
Market conditions

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Polymers processing investment Big bags production*

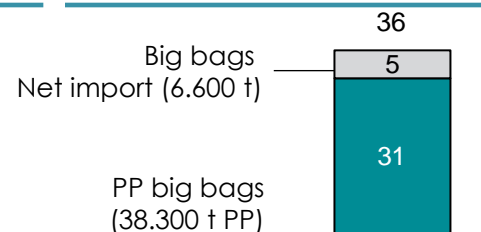
Consumption structure



- fertilizers
- granulated polymers
- mining and metals, building materials, grain, flour

- Potential demand for big bags lies in increased use of railroads to transport fertilizers
- Big bag advantages – automated loading/embarking, special vehicles; easy storage
- Processability/ diverse features

Consumption [mln pcs]



The fertilizer market has started to replace packaging with big bags. The fertilizer market is ~6 mln ton, it adds 12 mln big bags to potential use.

Anticipated annual average growth of the sector

+5%

Return on investment*

Initial data:

Processing capacity:

- 5000 ton per year
- 2.5 mln big bags

Equipment required:

- 2 extrusion lines
- 4 textile machines

Staff:

- 60 people (4 shifts including sewing room)
- salary including insurance - 60 000 RUB

CAPEX: 133 mln RUB

OPEX: 13 015 RUB per ton produced

Inception date: July 2014

Estimated period: up to 2021

Performance indicators:

Internal rate of return (**IRR**): **35.3%**

Net present value (**NPV**): **556 mln RUB**

Profitability index (**PI**): **5.6**

Economic conditions

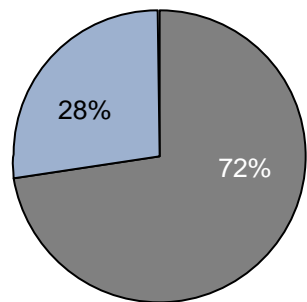
Market conditions

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Polymers processing investment Polymer casting*

Consumption structure



- Thin wall food packaging
- Consumer goods

- The product size tends to be reduced worldwide, along with ways of fresh product conservation it supports potential growth of the food packaging sector.
- The growth of the food packaging sector is caused by rapid retail development and its average annual rate is **7-8%**.
- The annual average growth rate of the consumer goods sector is 5%.
- Demand for egg plastic packaging in the Tyumen Region is 18 mln pcs per year, in the Ural Federal District – 432.3 mln pcs per year.
- Demand for plastic cups - 80 mln pcs per year, plastic bottles - 95 mln pcs per year consumed by “Danone” in the Tyumen Region.

In general, polymer casting is highly marginal as well as dynamic.

Return on investment *

Initial data:

Processing capacity:

- 2500 ton per year

Equipment required:

- 5-6 casting machines
- 15-30 casting mould

Staff:

- 40 people (4 shifts)
- salary including insurance - 60 000 RUB

CAPEX: 126 mln RUB

OPEX: 17 846 RUB per ton produced

Inception date: July 2014

Estimated period: up to 2021

Performance indicators:

Internal rate of return (**IRR**): **32.8%**

Net present value (**NPV**): **435 mln RUB**

Profitability index (**PI**): **4.8**

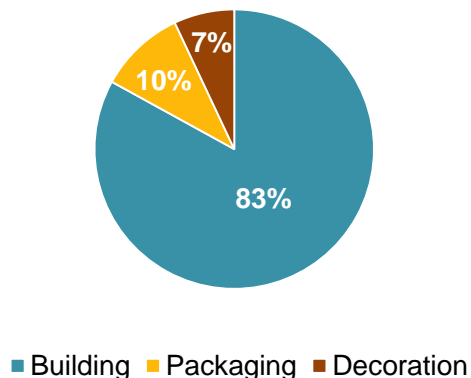
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Polymers processing investment. Expanded polystyrene sheet production – one of the most effective heat insulating materials*

Market conditions

Expanded polystyrene consumption structure



- Energy efficiency in Russia tends to increase, related rules and regulations have been approved, costs of energy supply grow. All this increases heat insulating materials consumption. Amendments to Federal law №188-ФЗ "Housing Code of the Russian Federation" (in 2013) on creating overhaul fund can stimulate additional demand for heat insulating materials.
- Annual growth rate of heat insulating materials market is **8-10%** per year.
- High quality polystyrene production - Alfapor (Perm).
- Expanded polystyrene sheet transportation for short distances requires processing plants in every region.

Economic conditions

In general Expanded polystyrene sheet production is highly marginal

Return on investment *

Initial data:

Processing capacity:

- Up to 5000 ton EPS per year

Equipment required:

Automated line, capacity up to 400 000 m³ per year (prefoaming device, oven, block mould, air lift)

Staff:

- 4 people (manufacturing only)
- salary including insurance - 40 000 RUB per person

CAPEX: 116 mln RUB

OPEX: 1070 RUB per 1 m³ produced

Inception date : January 2015

Estimated period: up to 2028

Performance indicators*:

Internal rate of return (**IRR**): **41 %**

Net present value (**NPV**): **279 mln RUB**

Pay-back period (**PP**): **4 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

INVESTMENT PROJECT: CONSTRUCTION OF FEEDING ADDITIVE COMPOUND PRODUCTION FACTORY IN TYUMEN REGION *

Market conditions

- Steady demand on the territories of Ural federal district.
- Existence of municipal platforms for implementation of the project



Economic conditions

Necessary conditions:

The area of the land plot from 30 hectares.

Staff :

70 people

Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Investment volume: 1 billion rubles

Measures of efficiency :

Internal rate of return (IRR): 21 %

Net present value (NPV): 425 million rubles

Payback period (PP): 5 years

*We can offer different sites for the project either municipal or privately-owned;
*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

INVESTMENT PROJECT: REPROCESSING CORN IN TYUMEN REGION *

Market conditions

- Products with a high value added – turn 60 000 tons of grain (480 million rubles) into 1400 million rubles of the income
- Production:
- Lemon acid – 20 000 tons,
- BVMK – 33 000 tons,
- Existence of municipal platforms for the implementation of the project
- Competitive production while entering the foreign markets
- State support



Economic conditions

Necessary conditions:

The area of the land plot from 20 hectares.

Staff :

120 people

Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Investment volume: 2,1 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 30 %

Net present value (NPV): 500 million rubles

Payback period (PP): 4 years

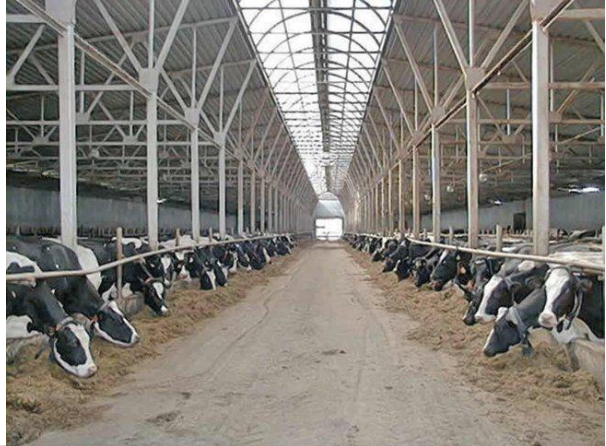
*We can offer different sites for the project either municipal or privately-owned;

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INVESTMENT PROJECT: BUILDING DAIRY COMPLEX IN TYUMEN REGION*

Market conditions

- Soon in Tyumen region will be made a large production of the Danone companies, OOO "Dairy factory "Absolut" which will cause an increase in the volumes of milk consumption as raw materials in a total amount of 117,5 thousand tons per year for production of dairy products.
- Existence of municipal platforms for implementation of the project
- State support



Economic conditions

Necessary conditions:

The area of the land plot from 20 hectares.

Staff :

150 people

Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Investment volume: 2,1 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 18 %

Net present value (NPV): 260 million rubles

Payback period (PP): 10 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

INVESTMENT PROJECT: CONSTRUCTION OF POTATO REPROCESSING FACTORY IN TYUMEN REGION *

Market conditions

- Costs of the first stage of production can be 150 million rubles (lines of production of chips and corn flakes)
- On productivity of potatoes in farms of all categories the Tyumen region is the leader among all of the subjects of the Russian Federation and Ural federal district.
- The central position in heart of Russia at the crossroads of the main trade directions.
- Existence of the developed research centers and high concentration of scientific clusters.
- Existence of municipal platforms for the implementation of the project



Economic conditions

Necessary conditions:

The area of the land plot from 20 hectares.

Staff :

100 people

Pay check for 1 employee – 20 000 /30 000 rub including insurance premium.

Investment volume: 1 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 15 %

Net present value (NPV): 208 million rubles

Payback period (PP): 5 years

*We can offer different sites for the project either municipal or privately-owned;
*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

INVESTMENT PROJECT: CONSTRUCTION OF HOTHOUSE COMBINE IN TYUMEN REGION *

Market conditions

- Existence of municipal platforms for the implementation of the project
- State support
- Steady demand on the territories of Ural federal district.



Economic conditions

Necessary conditions:

The area of the land plot from 20 hectares.

Staff :

180 people

Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Investment volume: 2 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 30 %

Net present value (NPV): 400 million rubles

Payback period (PP): 5 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of drilling rig production factory *

Market conditions

Number of the operating drilling rigs in Russia – 1900 units, 1500 of them are efficient. Most of the drilling rigs were constructed in 1987-1992 and operational capability date is 25 years, which will come to an end in the next few years.

According to “Russian Oil-and-gas Union” statistics in order to maintain current drilling level Russian service companies need to change at least 1000 drilling rigs in the next few years. The cost of the change may be 20 billion \$.



Initial data:

Volume of production:

- **25 or more drilling rigs per year**

Necessary conditions:

- The area of the land plot is 20-40 hectares.

Staff :

- 800-1000 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 40 000 rub including insurance premium.

Approximate investment volume: from 10 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 35 %

Net present value (NPV): 500 million rubles

Payback period (PP): 5 years

Economic conditions

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of oil-well tubing equipment production factory*

Market conditions

Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient geographical position, the production of the gas-distributing pump and compressor equipment on the territory of the Tyumen region is possible.

Share of the oil-well tubing equipment import – 70%.



Economic conditions

Initial data:

Volume of production:

- **120 different types of pumps per year**

Necessary conditions:

- The area of the land plot is 10-12 hectares.

Staff :

- 800-1000 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Approximate investment volume: from 5 billion rubles

Measures of efficiency :

Internal rate of return (IRR): 22 %

Net present value (NPV): 1 billion rubles

Payback period (PP): 6-7 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of a high-quality pipeline valves production factory*

Market conditions

Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient

geographical position, the production of a high-quality pipeline valves is possible: valves, cranes of various spherical diameters, the regulating fittings, latches, pressure regulators, etc.

Share of such production in Russian Federation– 56%.



Economic conditions

Initial data:

Volume of production:

- **400 units per year**

Necessary conditions:

- The area of the land plot is 10-12 hectares.

Staff :

- 500-1000 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 35 000 /40 000 rub including insurance premium.

Approximate investment volume: from 4 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 28 %

Net present value (NPV): 500-700 million rubles

Payback period (PP): 8 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of control instrumentation equipment production factory*

Market conditions

- Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient geographical position, the production of high quality control instrumentation equipment, specifically flowmeters, counters, chromatographs, calibrators, manometer analyzers, humidity measuring instruments, etc.

- Share of control instrumentation equipment import - 70%



Economic conditions

Initial data:

Volume of production:

Necessary conditions:

- The area of the land plot is 3-5 hectares.

Staff :

- 200-300 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 45 000 / 50 000 rub including insurance premium.

Approximate investment volume: from 1,5 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 20 %

Net present value (NPV): 300-500 million rubles

Payback period (PP): 7 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of electric equipment production factory*

Market conditions

- Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient geographical position, the production of electric equipment , specifically electric motors, diesel power plants for drilling rigs, electric drives for spherical cranes remote control.
- Share of such equipment import in Russian Federation - 70%



Economic conditions

Initial data:

Volume of production:

Necessary conditions:

- The area of the land plot is 5-10 hectares.

Staff :

- 500-600 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 45 000 / 50 000 rub including insurance premium.

Approximate investment volume: from 3 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 25 %

Net present value (NPV): 400-550 million rubles

Payback period (PP): 6 years

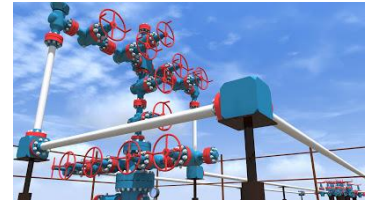
- * For implementation of the project various options of municipal and private platforms are offered;
- * Since 2015 projects with the volume of investment more than 300 million rubles are exempted from payment of the property tax, and also will be able to receive a privilege on income tax.

Investment in the production of underground borehole equipment and gushing fittings production factory*

Market conditions

- Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient geographical position, the production of underground borehole equipment and gushing fittings is possible.

-Share of such equipment import in Russian Federation - 65%



Economic conditions

Initial data:

Volume of production: from 1000 units per year

Necessary conditions:

- The area of the land plot is 5-10 hectares.

Staff :

- 600-700 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 35 000/50 000 rub including insurance premium.

Approximate investment volume: from 4 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 30 %

Net present value (NPV): 400-550 million rubles

Payback period (PP): 5 years

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of equipment for underwater mining complexes production factory*

Market conditions

- Due to the current government arrangements concerning the import substitution of the oil-and-gas sector, existence of extensive scientific and technical base, proximity of oil and gas crafts and convenient geographical position, the production of underwater mining complexes equipment is possible, specifically bases of template, protective designs of template, manifold modules, modules of contours, connection devices, underwater blocks of the estuarial equipment, underwater control systems.
- Share of such equipment import in Russian Federation - 100%



Initial data:

Volume of production: from 60 units per year

Necessary conditions:

- The area of the land plot is 10-15 hectares.

Staff :

- 800-1000 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 45 000/50 000 rub including insurance premium.

Approximate investment volume: from 10 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 30 %

Net present value (NPV): 2 billion rubles

Payback period (PP): 7 years

Economic conditions

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of agricultural machinery and component parts production factory*

Market conditions

- Due to the development of agro-industrial complex of the Tyumen region and essential state support of agricultural subjects, demand for new agricultural machinery and accessories constantly grows. The increase in demand for tractors, dryers, silos, bunkers, seeders, separators, plows, sprayers, cultivators, mowers, cattlefeeders is especially noticeable.
- The share of import of this production in the Russian Federation – 60%

Вид техники Приобретенной фермерами Тюменской области	Кол-во едини ц	Стоимость с НДС тыс. руб.	Сумма выделенных гос. субсидий тыс. руб.
	2013	2013	2013
из них:			
Тракторы	414	755227,55	192052,2
Комбайны/погрузчики	205	1281862,9	435483,1
Иная техника: сушилки, силосы, бункеры, сеялки, сепараторы, плуги, опрыскиватели, культиваторы, косилки, кормораздатчики, гребнеобразователи.	517	1060507,2	351816,9
Всего сельхозтехники:	1136	3097597,7	979352,226

Economic conditions

Initial data:

Volume of production: from 200 units per year

Necessary conditions:

- The area of the land plot is 15 -20 hectares.

Staff :

- 1000-1500 people (taking into account the technical repair personnel and AUP)
- Pay check for 1 employee – 45 000/50 000 rub including insurance premium.

Approximate investment volume: from 7 billion rubles

Measures of efficiency :

Internal rate of return: (IRR): 20 %

Net present value (NPV): 500 mln - 1bln rubles

Payback period (PP): 8 years

*We can offer different sites for the project either municipal or privately-owned;

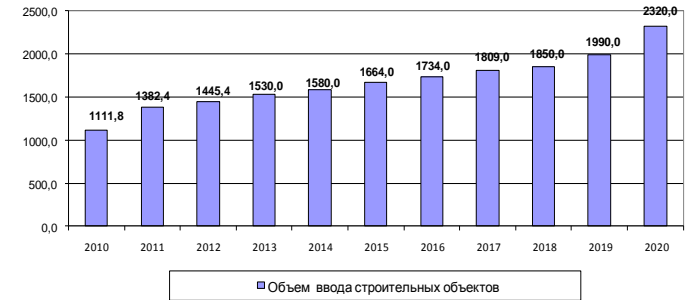
*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Ceramic brick plant investment*

Market conditions

- Ceramic brick consumption in the Tyumen Region was 330 mln pcs in 2013. Import rate from other region was 235 mln pcs. So the regional production proved to be deficient.
- The Region has more than 300 building material fields (sands, glue), the estimated resources are over 1100 mln m³.
- Regional sales market and local resources for ceramic brick production are present.

Completed projects from 2010 to 2020
(including residential, social, commercial, industrial projects)



Economic conditions

Initial data:

Production capacity :

- 60 mln per year

Necessary conditions:

Site area 5-10 hectares

Staff:

- 250-300 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

**Anticipated investment volume
from 1.2 bln RUB to 1.6 bln RUB**

Performance indicators:

Internal rate of return (**IRR**): **20 %**

Net present value (**NPV**): **250 - 300 mln RUB**

Pay-back period (**PP**): **6 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Plate glass plant investment*

Market conditions

- Due to the high regional building rate, plate glass consumption is about 2 mln m2 per year. The total plate glass consumption in the Ural Federal District is about 15 mln m2 per year.
- The Region has rich resources of glass sands, preliminary estimations are 10 mln m3.



Economic conditions

Initial data:

Production capacity :

- 10 mln m2 per year

Necessary conditions:

Site area 15-20 hectares

Staff:

- 300-400 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

Anticipated investment volume more than 3 bln RUB

Performance indicators:

Internal rate of return (IRR): **24 %**

Net present value (NPV): **400 - 500 mln RUB**

Pay-back period (PP): **8 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Foam-glass plant investment*

Market conditions

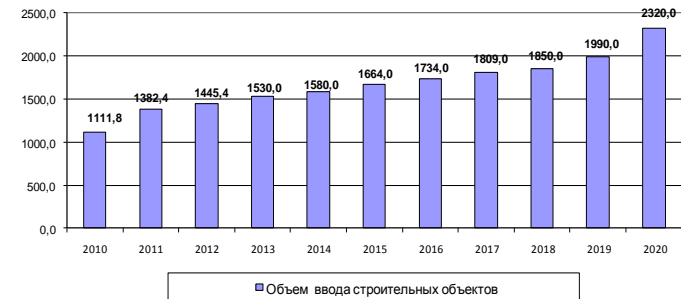
- Due to the high regional building rate, climate, increased requirements to heat insulating materials, glass sand resources that let produce high quality quenched cullet, the market situation is favorable for foam-glass blocks and casing production.

- Application:

* Multi-storeyed residential, commercial, industrial, individual building.

* Heat insulation for pipes in petrochemical industry and in housing and utility sector.

Completed projects from 2010 to 2020
(including residential, social, commercial, industrial projects)



Economic conditions

Initial data:

Production capacity :

- 40 000 m3 per year

Necessary conditions:

Site area 5-10 hectares

Staff:

- 100-150 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

**Anticipated investment volume
from 900 mln RUB to 1 bln RUB**

Performance indicators:

Internal rate of return (**IRR**): **24 %**

Net present value (**NPV**): **150 - 250 mln RUB**

Pay-back period (**PP**): **8 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in dry building mixes plant *

Market conditions

- The rate of dry building mixes consumption in the Tyumen Region including Khanti-Mansi and Yamal-Nenets Autonomous Districts was 410 000 ton in 2013.
- If the regional building rate continues to grow, the rate of dry building mixes consumption will rise by 40-45% (600 000 ton per year) by 2020.



Economic conditions

Initial data:

Production capacity :

- 400 000 per year

Necessary conditions:

Site area 10-20 hectares

Staff:

- 250-300 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

**Anticipated investment volume
from 1.3 bln RUB to 1.6 bln RUB**

Performance indicators:

Internal rate of return (**IRR**): **25 %**

Net present value (**NPV**): **150 - 200 bln RUB**

Pay-back period (**PP**): **5 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction bioethanol production factory*

Market conditions

- The region has large reserves of low-quality wood (to 14 million m³ a year), nowadays options of effective utilization of this resources are absent.
- Possibility of partnership with the SIBUR-Holding company, that has abroad examination in the advanced biotechnologies field
- Entry into the export markets (Europe, Asia).



Initial data:

Production capacity : Production of bioethanol with the capacity of 60 tons.

Necessary conditions:

Site area 3-5 hectares

Staff:

- 300-400 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

Capex: 150 mln. euro

Measures of efficiency :

Internal rate of return (**IRR**): **8 %**

Net present value (**NPV**): **8 bln rubles**

Pay-back period (**PP**): **5 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.

Investment in the construction of mineral fertilizers production factory*

Market conditions

- Proximity of raw materials for production of mineral fertilizers - natural gas;
- Proximity to auxiliary raw materials - river water, (for implementation of the project it municipal platform in Tobolsk is offered and close proximity to the river and to necessary engineering communications is available);
- Possibility of transportation of production through the Northern Sea Route both to Europe, and to Asia - to the main export markets.



Economic conditions

Initial data:

Production capacity :

Approximately 400 000 tons.

Necessary conditions:

Site area 50-80 hectares

Staff:

- Approximately 1000 people (including maintenance and management personnel)
- salary including insurance - 35 000 - 40 000 RUB per person

Anticipated investment volume

1500 mln.dollars

Measures of efficiency :

Internal rate of return (IRR): **19,6 %**

Net present value (NPV): **235 mln rubles**

Pay-back period (PP): **6 years**

*We can offer different sites for the project either municipal or privately-owned;

*Since 2015 investment projects exceeding 300 mln RUB will be exempt from property tax and will be entitled to profit tax reduction.